



**H.B. 341**

125th General Assembly  
(As Introduced)

**Rep. Calvert**

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**BILL SUMMARY**

- Eliminates the extension to year 2015 of the corporation franchise tax credit for new manufacturing machinery and equipment established in Sub. H.B. 127 of the 125th General Assembly and reinstates the year of 2005 for cessation of the credit, except retains the extension to 2015 if the new manufacturing machinery and equipment is related to the enrichment and commercialization of uranium or uranium products.
- Requires a \$5 million increase in Department of Development GRF appropriations of unspent and unobligated GRF cash balances to be used to support projects related to the enrichment and commercialization of uranium or uranium products, instead of supporting "economic development projects" as is required in Sub. H.B. 127 of the 125th General Assembly.
- Specifies that the bill's changes related to the new manufacturing machinery and equipment tax credit and Department of Development appropriations are contingent upon Sub. H.B. 127 of the 125<sup>th</sup> General Assembly becoming law in the same form as was passed by the Senate and concurred in by the House of Representatives.
- Declares an emergency.

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**CONTENT AND OPERATION**

**Revision of the extension of the new manufacturing machinery and equipment tax credit**

(R.C. 5733.33)

Current law authorizes a nonrefundable tax credit against corporation franchise tax liability through 2005 for new manufacturing machinery and

equipment purchased and used in Ohio by corporations and other business organizations. Sub. H.B. 127 of the 125th General Assembly, which has not been signed by the Governor as of the date of this writing and therefore is not effective, extends the tax credit until 2015, provided that the new machinery or equipment is installed not later than December 31, 2016. The bill repeals the provisions of Sub. H.B. 127 that extend the tax credit until 2015 and reinstates the credit through 2005. However, the bill retains the extension of the credit until 2015 if the new manufacturing machinery or equipment is installed in Ohio by a taxpayer engaged in the enrichment and commercialization of uranium or uranium products or engaged in research and development activities related to that enrichment and commercialization, provided that the new machinery or equipment is installed not later than December 31, 2016.

**Appropriation to the Department of Development**

(Sections 3, 4, and 5)

Sub. H.B. 127 of the 125th General Assembly appropriates up to \$5 million of unspent and unobligated cash balances in the General Revenue Fund (GRF) to the Department of Development, if requested by the Director of Development and approved by the Director of Budget and Management and if the unspent and unobligated cash balances in the GRF are sufficient. The appropriation must be used to support economic development projects for which appropriations otherwise would not be available. The \$5 million appropriation is over both fiscal years 2004 and 2005. The bill requires that, instead of economic development projects, the \$5 million appropriation must be used to support projects for the enrichment and commercialization of uranium or uranium products or for research and development activities related to that enrichment and commercialization for which appropriations would otherwise not be available.

**Contingency of bill's provisions**

(Section 6)

The bill provides that its provisions related to the new manufacturing machinery and equipment tax credit and pertaining to Department of Development appropriations are contingent upon Sub. H.B. 127 of the 125th General Assembly becoming law in the same form as was passed by the Senate and was concurred in by the House of Representatives.

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**HISTORY**

ACTION	DATE	JOURNAL ENTRY
Introduced H0341-I-125.doc/jc	12-02-03	p. 1120

